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Arts and Humanities: Pell Amendments (1975): Report 04

Claiborne Pell

Javits

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Calendar No. 282

94TH CONGRESS
1ST SESSION

S. 1800

[Report No. 94-289]

IN THE SENATE OF THE UNITED STATES

MAY 21, 1975

Mr. PELL (for himself and Mr. JAVITS) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

JULY 21, 1975

Reported by Mr. PELL, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italics*]

A BILL

To amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 ~~That this Act may be cited as the "Arts, Humanities, and~~
4 ~~Cultural Affairs Act of 1975".~~

5 ~~TITLE I—ARTS AND HUMANITIES~~

6 ~~GRANTS TO THE AMERICAN FILM INSTITUTE~~

7 ~~SEC. 101. (a) Section 5 of the National Foundation on~~
8 ~~the Arts and the Humanities Act of 1965 is amended by~~
9 ~~adding at the end thereof the following new subsection:~~

1 ~~"(1) The Chairman is authorized to make grants to~~
 2 ~~the American Film Institute, a nonprofit corporation in-~~
 3 ~~corporated under the laws of the District of Columbia, for~~
 4 ~~the purposes described in subsection (c)."~~

5 ~~(b) The amendment made by subsection (a) shall be~~
 6 ~~effective with respect to fiscal year 1976 and succeeding~~
 7 ~~fiscal years.~~

8 ~~STATE HUMANITIES COUNCILS~~

9 ~~SEC. 102. (a) (1) Section 7 of the National Founda-~~
 10 ~~tion on the Arts and the Humanities Act of 1965 is amended~~
 11 ~~by adding at the end thereof the following new subsection:~~

12 ~~"(f) (1) The Chairman, with the advice of the National~~
 13 ~~Council on the Humanities, is authorized to establish and~~
 14 ~~carry out a program of grants in aid to assist the several~~
 15 ~~States in supporting not more than 50 per centum of the~~
 16 ~~cost of existing activities which meet the standards enu-~~
 17 ~~merated in subsection (c), and in developing programs in~~
 18 ~~the humanities in such a manner as will furnish adequate~~
 19 ~~programs in the humanities in each of the several States.~~

20 ~~"(2) In order to receive assistance under this subsec-~~
 21 ~~tion in any fiscal year, a State shall submit an application~~
 22 ~~for such grants at such time as shall be specified by the~~
 23 ~~Chairman and accompany such applications with a plan~~
 24 ~~which the Chairman finds—~~

25 ~~"(A) designates or provides for the establishment~~

1 ~~of a State agency (hereafter in this section referred to~~
2 ~~as the State agency) as the sole agency for the adminis-~~
3 ~~tration of the State plan;~~

4 ~~“(B) provides that funds paid to the State under~~
5 ~~this subsection will be expended solely on programs ap-~~
6 ~~proved by the State agency which carry out one or~~
7 ~~more of the objectives of subsection (c); and~~

8 ~~“(C) provides that the State agency will make such~~
9 ~~reports, in such form, and containing such information,~~
10 ~~as the Chairman may, from time to time, require.~~

11 ~~“(3) Of the sums available to carry out this subsection~~
12 ~~for any fiscal year, each State which has a plan approved~~
13 ~~by the Chairman shall be allotted at least \$100,000. If the~~
14 ~~sums appropriated are insufficient to make the allotments~~
15 ~~under the preceding sentence in full, such sums shall be~~
16 ~~allotted among such States in equal amounts. In any case~~
17 ~~where the sums available to carry out this subsection for any~~
18 ~~fiscal year are in excess of the amount required to make the~~
19 ~~allotments under the first sentence of this paragraph—~~

20 ~~“(A) the amount of such excess which is no greater~~
21 ~~than 25 per centum of the sums available to carry out~~
22 ~~this subsection for any fiscal year shall be available to~~
23 ~~the Chairman for making grants under this subsection to~~
24 ~~States and regional groups; and~~

25 ~~“(B) the amount of such excess, if any, which re-~~

1 ~~mains after reserving in full for the Chairman the~~
2 ~~amount required under clause (A) shall be allotted~~
3 ~~among the States which have plans approved by the~~
4 ~~Chairman in equal amounts, but in no event shall any~~
5 ~~State be allotted less than \$100,000.~~

6 ~~"(4) (A) That part of any allotment made under~~
7 ~~paragraph (3) for any fiscal year—~~

8 ~~"(i) which exceeds \$62,500, but~~

9 ~~"(ii) which does not exceed 20 per centum of such~~
10 ~~allotment,~~

11 ~~shall be available, at the discretion of the Chairman, to pay~~
12 ~~up to 100 per centum of the cost of programs under this~~
13 ~~subsection if such programs would otherwise be unavailable~~
14 ~~to the residents of that State.~~

15 ~~"(B) Any amount allotted to a State under the first~~
16 ~~sentence of paragraph (3) for any fiscal year which is not~~
17 ~~obligated by the State prior to sixty days prior to the end of~~
18 ~~the fiscal year for which such sums are appropriated shall~~
19 ~~be available to the Chairman for making grants to regional~~
20 ~~groups.~~

21 ~~"(C) Funds made available under this subsection shall~~
22 ~~not be used to supplant non-Federal funds.~~

23 ~~"(D) For the purposes of paragraph (3) and this~~
24 ~~paragraph, the term 'regional group' means any multi-State~~
25 ~~group, whether or not representative of contiguous States.~~

1 ~~"(5) All amounts allotted or made available under~~
2 ~~paragraph (3) for a fiscal year which are not granted to a~~
3 ~~State during such year shall be available to the National En-~~
4 ~~dowment for the Humanities for the purpose of carrying~~
5 ~~out section 5 (c).~~

6 ~~"(6) Whenever the Chairman, after reasonable notice~~
7 ~~and opportunity for hearing, finds that—~~

8 ~~"(A) a group is not complying substantially with~~
9 ~~the provisions of this section;~~

10 ~~"(B) a State agency is not complying substantially~~
11 ~~with terms and conditions of its State plan approved un-~~
12 ~~der this section; or~~

13 ~~"(C) any funds granted to a group or State agency~~
14 ~~under this section have been diverted from the purposes~~
15 ~~for which they are allotted or paid,~~

16 ~~the Chairman shall immediately notify the Secretary of the~~
17 ~~Treasury and the group or State agency with respect to~~
18 ~~which such finding was made that no further grants will be~~
19 ~~made under this section to such group or agency until there~~
20 ~~is no longer a default or failure to comply or the diversion~~
21 ~~has been corrected, or, if the compliance or correction is im-~~
22 ~~possible, until such group or agency repays or arranges the~~
23 ~~repayment of the Federal funds which have been improperly~~
24 ~~diverted or expended."~~

25 ~~(b) The amendment made by subsection (a) shall be~~

1 ~~effective with respect to fiscal year 1976 and succeeding~~
 2 ~~fiscal years.~~

3 ~~AUTHORIZATIONS OF APPROPRIATIONS~~

4 ~~SEC. 103. (a) (1) (A) Section 11(a) (1) (A) of the~~
 5 ~~National Foundation on the Arts and the Humanities Act~~
 6 ~~of 1965 is amended to read as follows:~~

7 ~~"SEC. 11. (a) (1) (A) For the purpose of carrying out~~
 8 ~~section 5, there are authorized to be appropriated \$113,~~
 9 ~~500,000 each for the fiscal years 1977 and 1978; and there~~
 10 ~~are so authorized such sums as may be necessary for the~~
 11 ~~fiscal years 1979, and 1980. Of the sums so appropriated~~
 12 ~~for any fiscal year—~~

13 ~~"(i) not less than 20 per centum shall be for car-~~
 14 ~~rying out section 5 (g); and~~

15 ~~"(ii) 4 per centum shall be for carrying out sec-~~
 16 ~~tion 5 (1)."~~

17 ~~(B) Section 11(a) (1) (B) of such Act is amended~~
 18 ~~by striking out all that follows "Humanities" and inserting~~
 19 ~~in lieu thereof the following: "\$113,500,000 each for fiscal~~
 20 ~~years 1977 and 1978; and there are so authorized such sums~~
 21 ~~as may be necessary for the fiscal years 1979 and 1980.~~
 22 ~~Of the sums so appropriated for any fiscal year, not less than~~
 23 ~~10 per centum shall be for carrying out section 7 (f)."~~

24 ~~(2) Section 11(a) (2) of such Act is amended (A) by~~
 25 ~~striking out "July 1, 1976" and inserting in lieu thereof~~

1 "~~October 1, 1980~~" and ~~(B)~~ by striking out all that follows
 2 "~~not exceed~~" and inserting in lieu thereof "\$25,000,000".

3 ~~(b) The amendments made by subsection (a) shall be~~
 4 ~~effective on and after the last day of fiscal year 1976.~~

5 ~~TITLE II—MUSEUM SERVICES AND EXHIBITIONS~~

6 ~~PART A—SERVICES~~

7 ~~SHORT TITLE~~

8 ~~SEC. 201. This part may be cited as the "Museum Serv-~~
 9 ~~ices Act".~~

10 ~~PURPOSE~~

11 ~~SEC. 202. It is the purpose of this part to encourage and~~
 12 ~~assist museums in their educational role, in conjunction with~~
 13 ~~formal systems of elementary, secondary, and postsecondary~~
 14 ~~education and with programs of nonformal education for all~~
 15 ~~age groups; to assist museums in modernizing their methods~~
 16 ~~and facilities so that they may better be able to conserve our~~
 17 ~~cultural, historic, and scientific heritage; and to ease the~~
 18 ~~financial burden borne by museums as a result of their in-~~
 19 ~~creasing use by the public.~~

20 ~~INSTITUTE FOR THE IMPROVEMENT OF MUSEUM SERVICES~~

21 ~~SEC. 203. There is hereby established, within the Depart-~~
 22 ~~ment of Health, Education, and Welfare, an Institute for the~~
 23 ~~Improvement of Museum Services (hereinafter referred to as~~
 24 ~~the "Institute"). The Institute shall consist of a National~~
 25 ~~Museum Services Board (hereinafter referred to as the~~

1 ~~“Board”) and a Director of the Institute (hereinafter re-~~
 2 ~~ferred to as the “Director”).~~

3 ~~NATIONAL MUSEUM SERVICES BOARD~~

4 ~~SEC. 204. (a) The Board shall consist of fifteen mem-~~
 5 ~~bers appointed by the President, by and with the advice and~~
 6 ~~consent of the Senate, and the following ex officio members:~~

7 ~~(1) the Director;~~

8 ~~(2) the Librarian of Congress;~~

9 ~~(3) the Archivist of the United States;~~

10 ~~(4) the Commissioner of Education;~~

11 ~~(5) the Secretary of the Smithsonian Institution;~~

12 ~~(6) the Director of the National Gallery of Art;~~

13 ~~(7) the Chairman of the National Endowment for~~
 14 ~~the Arts; and~~

15 ~~(8) the Chairman of the National Endowment for~~
 16 ~~the Humanities.~~

17 ~~The appointed members of the Board shall be broadly rep-~~
 18 ~~resentative of the curatorial, education, and cultural resources~~
 19 ~~of the United States and of the general public.~~

20 ~~(b) The term of office of appointed members of the~~
 21 ~~Board shall be five years, except that—~~

22 ~~(1) any such member appointed to fill a vacancy~~
 23 ~~shall serve only such portion of a term as shall not have~~
 24 ~~been expired at the time of such appointment; and~~

25 ~~(2) in the case of initial members, three shall serve~~

1 ~~for terms of four years, three shall serve terms of three~~
 2 ~~years, three shall serve terms of two years, and three~~
 3 ~~shall serve terms of one year.~~

4 ~~Any appointed member who has been a member of the Board~~
 5 ~~for more than seven consecutive years shall thereafter be~~
 6 ~~ineligible for reappointment to the Board during the three-~~
 7 ~~year period following the expiration of the last such consecu-~~
 8 ~~tive year.~~

9 ~~(c) The Chairman of the Board shall be designated by~~
 10 ~~the President from among the appointed members of the~~
 11 ~~Board. Eight appointed members of the Board shall consti-~~
 12 ~~tute a quorum.~~

13 ~~(d) The Board shall meet at the call of the Chairman,~~
 14 ~~except that—~~

15 ~~(1) it shall meet not less than four times each year;~~

16 ~~(2) in cases where the Director determines that a~~
 17 ~~meeting of the Board is necessary, it shall meet when-~~
 18 ~~ever one third of the total number of members request~~
 19 ~~a meeting in writing, in which event one half of the total~~
 20 ~~number of members shall constitute a quorum; and~~

21 ~~(3) whenever one third of the appointed members~~
 22 ~~request a meeting in writing, it shall meet, in which~~
 23 ~~event one third of the appointed members shall consti-~~
 24 ~~tute a quorum.~~

1 ~~Ex officio members of the Board shall not have a vote on the~~
2 ~~Board.~~

3 ~~(e) Members of the Board who are not in the regular~~
4 ~~full-time employ of the United States shall receive, while en-~~
5 ~~gaged in the business of the Board, compensation for service~~
6 ~~at a rate to be fixed by the President, except that such rate~~
7 ~~shall not exceed the rate specified at the time of such service~~
8 ~~for grade GS-18 in section 5332 of title 5, United States~~
9 ~~Code, including traveltime, and, while so serving away from~~
10 ~~their homes or regular places of business, they may be~~
11 ~~allowed travel expenses, including per diem in lieu of sub-~~
12 ~~sistence, as authorized by section 5703 of title 5, United~~
13 ~~States Code, for persons employed in Government service.~~

14 ~~(f) The Board shall have the responsibility for the gen-~~
15 ~~eral policies with respect to the powers, duties, and authori-~~
16 ~~ties vested in the Institute under this title. The Director~~
17 ~~shall make available to the Board such information and~~
18 ~~assistance as may be necessary to enable the Board to carry~~
19 ~~out its functions.~~

20 ~~DIRECTOR OF THE INSTITUTE~~

21 ~~SEC. 205. (a) The Director of the Institute shall be~~
22 ~~appointed by the President, by and with the advice and con-~~
23 ~~sent of the Senate, and shall serve at the pleasure of the~~
24 ~~President. The Director shall be compensated at the rate pro-~~
25 ~~vided for level V, United States Code, and shall perform~~

1 ~~such duties and exercise such powers as the Board may~~
 2 ~~prescribe.~~

3 ~~(b) There shall be a Deputy Director of the Institute~~
 4 ~~who shall be appointed by the President and shall serve at~~
 5 ~~the pleasure of the President. The Deputy Director shall be~~
 6 ~~compensated at the rate provided for grade 18 of the General~~
 7 ~~Schedule set forth in section 5332 of title 5, United States~~
 8 ~~Code. The Deputy Director shall exercise such powers as~~
 9 ~~the Director may prescribe, and the Deputy Director shall~~
 10 ~~serve as Director during the absence or disability of the~~
 11 ~~Director, or in the event of a vacancy in the Office of Direc-~~
 12 ~~tor. The position created by this paragraph shall be in addi-~~
 13 ~~tion to the number of positions placed in grade 18 of the~~
 14 ~~General Schedule under section 5108 of title 5, United~~
 15 ~~States Code.~~

16 ~~ACTIVITIES OF THE INSTITUTE~~

17 ~~SEC. 206. (a) The Director, subject to the manage-~~
 18 ~~ment of the Board, is authorized to make grants to museums~~
 19 ~~to increase and improve museum services, through such~~
 20 ~~activities as—~~

21 ~~(1) projects to enable museums to construct or~~
 22 ~~install displays, interpretations, and exhibitions in order~~
 23 ~~to improve their services to the public;~~

24 ~~(2) assisting them in developing and maintaining~~

1 ~~professionally trained or otherwise experienced staff to~~
 2 ~~meet their needs;~~

3 ~~(3) assisting them to meet their administrative~~
 4 ~~costs in preserving and maintaining their collections,~~
 5 ~~exhibiting them to the public, and providing educa-~~
 6 ~~tional programs to the public through the use of their~~
 7 ~~collections;~~

8 ~~(4) assisting museums in cooperation with each~~
 9 ~~other in the development of traveling exhibitions, meet-~~
 10 ~~ing transportation costs, and identifying and locating~~
 11 ~~collections available for loan;~~

12 ~~(5) assisting them in conservation of artifacts and~~
 13 ~~art objects; and~~

14 ~~(6) developing and carrying out specialized pro-~~
 15 ~~grams for specific segments of the public such as pro-~~
 16 ~~grams for urban neighborhoods, rural areas, Indian res-~~
 17 ~~ervations, penal and other State institutions.~~

18 ~~(b) Grants under this section may not exceed 75 per~~
 19 ~~centum of the cost of the program for which the grant is~~
 20 ~~made.~~

21 ~~CONTRIBUTIONS~~

22 ~~SEC. 207. The Institute shall have authority to accept in~~
 23 ~~the name of the United States, grants, gifts, or bequests of~~
 24 ~~money for immediate disbursement in furtherance of the func-~~
 25 ~~tions of the Institute. Such grants, gifts, or bequests, after~~

1 ~~acceptance by the Institute, shall be paid by the donor or~~
2 ~~his representative to the Treasurer of the United States~~
3 ~~whose receipt shall be their acquittance. The Treasurer of~~
4 ~~the United States shall enter them in a special account to~~
5 ~~the credit of the Institute for the purposes in each case~~
6 ~~specified.~~

7 ~~AUTHORIZATION OF APPROPRIATIONS~~

8 ~~SEC. 208. (a) For the purpose of making grants under~~
9 ~~section 206 (a), there are hereby authorized to be appro-~~
10 ~~priated \$25,000,000 for the fiscal year ending June 30,~~
11 ~~1975, and \$30,000,000 for each of the succeeding fiscal~~
12 ~~years ending prior to October 1, 1978.~~

13 ~~(b) For the purpose of enabling the Institute to carry~~
14 ~~out its functions under this part, during the period beginning~~
15 ~~on the date of enactment of this Act and ending October 1,~~
16 ~~1978, there is authorized to be appropriated an amount equal~~
17 ~~to the amount contributed during such period to the Institute~~
18 ~~under section 207.~~

19 ~~DEFINITION~~

20 ~~SEC. 209. For purposes of this part, the term "museum"~~
21 ~~means a public or private nonprofit agency or institution~~
22 ~~organized on a permanent basis for essentially educational or~~
23 ~~esthetic purposes, which, utilizing a professional staff, owns~~
24 ~~and utilizes tangible objects, cares for them, and exhibits~~
25 ~~them to the public on a regular basis.~~

~~PART B—EXHIBITIONS~~**~~SECRET TITLE~~**

~~SEC. 221. This part may be cited as the "Arts and Artifacts Indemnity Act".~~

~~SEC. 222. (a) The Federal Council on the Arts and Humanities (hereafter in this part referred to as the "Council"), established under section 9 of the National Foundation on the Arts and the Humanities Act of 1965, is authorized to indemnify against loss or damage such items as may be eligible therefor under this part (as described in section 223)—~~

~~(1) in accordance with the provisions of this part;~~
~~and~~

~~(2) on such terms and conditions as the Council shall prescribe, by regulation, in order to achieve the purpose of this part and, consistent with such purpose, to protect the financial interest of the United States.~~

~~(b) For the purposes of this part, the Council shall be an "agency" within the meaning of the appropriate definitions of such term in title 5, United States Code.~~

~~ELIGIBLE ITEMS~~

~~SEC. 223. (a) The Council may provide indemnification under this part with respect to—~~

~~(1) works of art, including tapestries, paintings, sculpture, folk art, graphics, and craft arts;~~

1 ~~(2) manuscripts, rare documents, books, and other~~
 2 ~~printed or published materials;~~
 3 ~~(3) other artifacts or objects; and~~
 4 ~~(4) motion pictures or audio and video tape;~~
 5 ~~which are (A) of educational, cultural, historical, or scien-~~
 6 ~~tific value and (B) the exhibition of which is certified by~~
 7 ~~the Secretary of State or his designee as being in the national~~
 8 ~~interest.~~

9 ~~(b) Items eligible for indemnification under this part~~
 10 ~~shall be covered by an indemnity while on exhibition in the~~
 11 ~~United States. For the purposes of this subsection, the term~~
 12 ~~"on exhibition" includes that period of time which begins at~~
 13 ~~the point when the eligible items leave the premises of the~~
 14 ~~lender or place designated by the lender and ends when such~~
 15 ~~items are returned to the premises of the lender or place~~
 16 ~~designated by the lender.~~

17 ~~SEC. 224. (a) Any person, nonprofit agency, institu-~~
 18 ~~tion, or government desiring to obtain an indemnity for~~
 19 ~~eligible items under this part shall make application there-~~
 20 ~~for in accordance with such procedures, in such form, and~~
 21 ~~in such manner as the Council shall, by regulation, prescribe.~~

22 ~~(b) An application under subsection (a) shall—~~
 23 ~~(1) described each item to be covered (including~~
 24 ~~an estimated value thereof) ;~~
 25 ~~(2) show evidence that the items are eligible under~~
 26 ~~subsection 223 (a) ; and—~~

1 ~~(3) set forth policies, procedures, techniques, and~~
2 ~~methods with respect to preparation for, and conduct~~
3 ~~of, exhibition of the items, and any transportation re-~~
4 ~~lated thereto.~~

5 ~~(c) Upon receipt of an application under this section,~~
6 ~~the Council shall, if such application conforms with the re-~~
7 ~~quirements of this part, approve the application; and when~~
8 ~~so approved, the application shall constitute a contract be-~~
9 ~~tween the Council and the applicant pledging the full faith~~
10 ~~and credit of the United States to pay any amount for~~
11 ~~which the Council becomes liable under such agreement.~~

12 ~~SEC. 225. (a) Upon receipt of an application meeting~~
13 ~~the requirements of subsections (a) and (b) of section 224,~~
14 ~~the Council shall review the estimated value of the items for~~
15 ~~which the indemnity is sought. If the Council agrees with~~
16 ~~such estimated value, for the purposes of this part, the Coun-~~
17 ~~oil shall, after approval of the application as provided in~~
18 ~~subsection (c) of section 224, issue a certificate evidencing~~
19 ~~an indemnity as provided in subsection (b).~~

20 ~~(b) Coverage under this part shall only extend to loss~~
21 ~~or damage in excess of the first \$25,000 of loss or damage~~
22 ~~out of a single incident.~~

23 ~~(c) There shall be no premium rates on any indem-~~
24 ~~nity issued under this section.~~

25 ~~SEC. 226. (a) The Council shall issue regulations pro-~~
26 ~~viding for prompt adjustment of valid claims for losses which~~

1 ~~are eligible for indemnification under this part, including~~
2 ~~provision for arbitration of questions of the dollar value of~~
3 ~~damages involving less than total loss or destruction of cov-~~
4 ~~ered objects for which a certificate of indemnity has been~~
5 ~~issued.~~

6 ~~(b) In the case of a claim of loss with respect to an~~
7 ~~item which is the subject of a certificate of indemnity under~~
8 ~~section 225, the Council shall certify the validity of the claim~~
9 ~~and the amount of the loss to the Speaker of the House of~~
10 ~~Representatives and the President of the Senate.~~

11 ~~SEC. 227. There are hereby authorized to be appro-~~
12 ~~priated such sums as may be necessary (a) to enable the~~
13 ~~Council to carry out its functions under this part, and (b)~~
14 ~~to pay claims certified pursuant to subsection 226 (b).~~

15 ~~SEC. 228. The Council shall report annually to the~~
16 ~~Congress (a) all claims actually paid pursuant to this part~~
17 ~~during the preceding fiscal year, (b) pending claims against~~
18 ~~the Council under this part as of the close of that fiscal year,~~
19 ~~and (c) the aggregate face value of contracts entered into~~
20 ~~by the Council which are outstanding at the close of that~~
21 ~~fiscal year.~~

22 ~~EFFECTIVE DATE~~

23 ~~SEC. 229. This part shall become effective --- days~~
24 ~~after the enactment of this Act.~~

1 *That this Act may be cited as the "Arts and Artifacts*
 2 *Indemnity Act".*

3 **FEDERAL COUNCIL**

4 *SEC. 101. (a) The Federal Council on the Arts and*
 5 *Humanities (hereafter in this Act referred to as the "Coun-*
 6 *cil"), established under section 9 of the National Foundation*
 7 *on the Arts and the Humanities Act of 1965, is authorized*
 8 *to make agreements to indemnify against loss or damage such*
 9 *items as may be eligible therefor under this Act (as described*
 10 *in section 102)=*

11 *(1) in accordance with the provisions of this Act;*
 12 *and*

13 *(2) on such terms and conditions as the Council*
 14 *shall prescribe, by regulation, in order to achieve the*
 15 *purpose of this Act and, consistent with such purpose,*
 16 *to protect the financial interest of the United States.*

17 *(b) For the purposes of this Act, the Council shall be*
 18 *an "agency" within the meaning of the appropriate defini-*
 19 *tions of such term in title 5, United States Code.*

20 **ELIGIBLE ITEMS**

21 *SEC. 102. (a) The Council may make an indemnity*
 22 *agreement under this Act with respect to—*

23 *(1) works of art, including tapestries, paintings,*
 24 *sculpture, folk art, graphics, and craft arts;*

1 (2) manuscripts, rare documents, books, and other
2 printed or published materials;

3 (3) other artifacts or objects; and

4 (4) photographs, motion pictures, or audio and
5 video tape;

6 (A) which are of educational, cultural, historical, or scien-
7 tific value and (B) the exhibition of which is certified by
8 the Secretary of State or his designee as being in the national
9 interest.

(b) *An indemnity agreement made under this Act shall cover eligible items while on exhibition in the United States. For the purposes of this subsection, the term "on exhibition" includes that period of time which begins at the point when the eligible items leave the premises of the lender or place designated by the lender and ends when such items are returned to the premises of the lender or place designated by the lender.*

18 APPLICATION

19 *SEC. 103. (a) Any person, nonprofit agency, institu-*
20 *tion, or government desiring to make an indemnity agree-*
21 *ment for eligible items under this Act shall make application*
22 *therefor in accordance with such procedures, in such form,*
23 *and in such manner as the Council shall, by regulation,*
24 *prescribe.*

1 (b) An application under subsection (a) shall—

2 (1) describe each item to be covered by the agree-
3 ment (including an estimated value thereof);

4 (2) show evidence that the items are eligible under
5 subsection 102(a); and

6 (3) set forth policies, procedures, techniques, and
7 methods with respect to preparation for, and conduct
8 of, exhibition of the items, and any transportation re-
9 lated thereto.

10 (c) Upon receipt of an application under this section,
11 the Council shall, if such application conforms with the re-
12 quirements of this Act, approve the application and make
13 an indemnity agreement with the applicant; and when so
14 approved, the agreement shall constitute a contract between
15 the Council and the applicant pledging the full faith and
16 credit of the United States to pay any amount for which
17 the Council becomes liable under such agreement; and for
18 such purpose the Council is hereby authorized to pledge
19 the full faith and credit of the United States.

20 INDEMNITY AGREEMENT

21 SEC. 104. (a) Upon receipt of an application meeting
22 the requirements of subsections (a) and (b) of section
23 103, the Council shall review the estimated value of the
24 items for which coverage by an indemnity agreement is

1 sought. If the Council agrees with such estimated value, for
 2 the purposes of this Act, the Council shall, after approval
 3 of the application as provided in subsection (c) of section
 4 103, make an indemnity agreement.

5 (b) The aggregate of loss or damage covered by indem-
 6 nity agreements issued under this Act shall not exceed
 7 \$250,000,000 at any one time.

8 (c) No indemnity agreement for a single exhibition
 9 shall cover loss or damage in excess of \$25,000,000.
 10 (d) Coverage under this Act shall only extend to
 11 loss or damage in excess of the first \$25,000 of loss or dam-
 12 age out of a single exhibition.

13

REGULATIONS

14 SEC. 105. (a) The Council shall issue regulations pro-
 15 viding for prompt adjustment of valid claims for losses which
 16 are covered by an agreement made pursuant to section 104,
 17 including provision for arbitration of questions of the dollar
 18 value of damages involving less than total loss or destruction
 19 of such covered objects.

20 (b) In the case of a claim of loss with respect to an
 21 item which is covered by an agreement made pursuant to
 22 section 104, the Council shall certify the validity of the claim
 23 and the amount of the loss to the Speaker of the House of
 24 Representatives and the President of the Senate.

1 **AUTHORIZATION OF APPROPRIATIONS**

2 *SEC. 106. There are hereby authorized to be appro-*
3 *priated such sums as may be necessary (a) to enable the*
4 *Council to carry out its functions under this Act, and (b)*
5 *to pay claims certified pursuant to subsection 105(b).*

6 **REPORT**

7 *SEC. 107. The Council shall report annually to the*
8 *Congress (a) all claims actually paid pursuant to this Act*
9 *during the preceding fiscal year, (b) pending claims against*
10 *the Council under this Act as of the close of that fiscal year,*
11 *and (c) the aggregate face value of agreements entered into*
12 *by the Council which are outstanding at the close of that*
13 *fiscal year.*

14 **EFFECTIVE DATE**

15 *SEC. 108. This Act shall become effective 30 days*
16 *after enactment.*

Calendar No. 282

94TH CONGRESS
1ST SESSION

S. 1800

[Report No. 94-289]

A BILL

To amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes.

By Mr. PELL and Mr. JAVITS

MAY 21, 1975

Read twice and referred to the Committee on Labor
and Public Welfare

JULY 21, 1975

Reported with an amendment